

MASTER STYLE MASTER TB

THAILAND / SERVICES

BUY

UNCHANGED

TARGET PRICE	THB71.00
CLOSE	THB58.00
UP/DOWNSIDE	+22.4%
PRIOR TP	THB71.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-11.6%

Profit sharing is coming in 2024

- Operating hours to rise to new high in 4Q23, supported by the high season and full-quarter realization of new operating beds.
- Starting to recognize profit sharing from new investments.
- Maintain BUY with a solid net profit growth outlook and strong balance sheet.

4Q23 profit to peak, supported by longer operating hours

We expect MASTER's 4Q23 net profit to rise to a new high of THB115m (+14.8% q-q, +45.6% y-y) due to the full-quarter realization of new operating beds. Normally, 4Q is a high season. According to the latest data, customer numbers continued to rise in October-November before weakening in December, since it is a holiday season. We anticipate its 4Q operating hours to grow by 8.3% y-y to 13,632 hours. Hence, we expect its 4Q23 total revenue to grow by 6.2% q-q and 7.9% y-y to reach a record high at THB509m.

Starting profit sharing recognition in 4Q23 onward

Even though MASTER will recognize depreciation expenses of THB8m-10m from the improvement expenses for its buildings, profit sharing from the two new businesses, Wind Clinic and Kin Corporation, should fully offset them. Since the number of doctors remains at 45 as in 3Q23, we expect the 4Q23 gross margin to remain high at 58.1%, close to 3Q23 but higher than 55.5% in 4Q22 due to increased operating leverage. Assuming in-line results, 2023 net profit would hit another record high of THB367m (+22% y-y).

Expect 2024 profit growth to jump by 46%

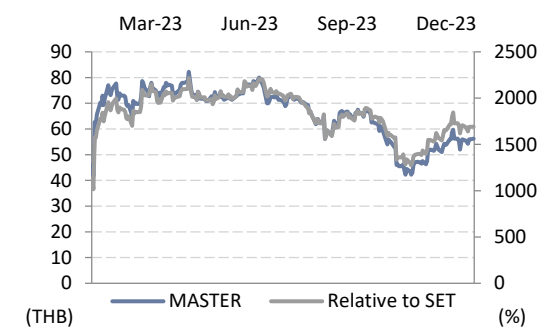
We maintain our bullish view of MASTER's 2024 growth outlook due to 1) organic drivers, such as the full-year realization of its new operating beds; and 2) inorganic drivers, such as the realization of profit sharing from the ten companies that MASTER announced 35-40% stakes in. We assume 2024-25 profit sharing of THB105m and THB112m, up from THB10m in 2023, representing roughly 19.6% and 18.5% of the 2024-25E net profit, respectively. Therefore, we expect a 2024-25 net profit of THB536m (+46% y-y) and THB607m (+13% y-y), respectively.

Maintain BUY with solid growth outlook and strong balance sheet

We retain our BUY call and 2024 TP of THB71, based on 35x 2024E P/E. Our target is derived from the existing business valued at THB59/shr and the ten new investments valued at THB12/shr. We project its 2023-24 current ratio to be high at 9x and 3.2x, while we project a low D/E ratio at 0.2x. Meanwhile, ROE should stand at 22.5% in 2023, down from 2022, due to increased equity after its IPO.

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	1,483	1,883	2,216	2,517
Net profit	301	367	536	607
EPS (THB)	1.58	1.39	2.03	2.30
vs Consensus (%)	-	(2.5)	1.8	0.1
EBITDA	422	529	659	750
Recurring net profit	301	367	536	607
Core EPS (THB)	1.58	1.39	2.03	2.30
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(1.7)	(12.1)	45.8	13.3
Core P/E (x)	36.6	41.7	28.6	25.2
Dividend yield (%)	0.5	1.2	1.7	-
EV/EBITDA (x)	26.6	25.7	22.8	19.6
Price/book (x)	27.3	5.4	4.9	4.5
Net debt/Equity (%)	51.7	(59.1)	(10.1)	(16.9)
ROE (%)	105.5	22.5	17.9	18.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	7.4	(6.1)	n/a
Relative to country (%)	4.0	(3.6)	n/a
Mkt cap (USD m)	448		
3m avg. daily turnover (USD m)	2.3		
Free float (%)	0		
Major shareholder	Maschamadol family (68%)		
12m high/low (THB)	83.18/41.50		
Issued shares (m)	264.00		

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

We expect Thailand's cosmetic surgery market to grow by 9.7% CAGR in 2023-30, close to global cosmetic surgery markets. Additionally, the medical tourism trend should support surgery hospitals in Thailand to have a higher revenue mix from international customers, which would, in turn, support future growth.

MASTER has several strengths. It has earned a good reputation and has become well-known over the past ten years. Given the experience of Dr. Raweewat Maschamadol and other renowned doctors, MASTER has gained customer trust, leading to referrals and positive reviews on social media. It has also expanded and invested in other businesses to further its long-term growth.

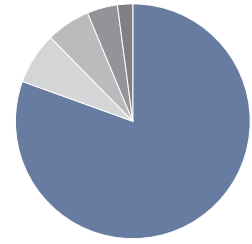
Company profile

MASTER is in the cosmetic surgery hospital business under Masterpiece Hospital. Established in 2012, it has 17 operating beds and offers one-stop cosmetic surgery services. MASTER earns revenue from four services, including surgery, skin, hair treatment, and aftercare, with surgery contributing the highest revenue of 81% of total revenue.

www.masterpiecehospital.com

Principal activities (revenue, 2022)

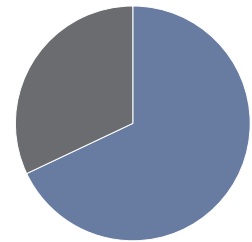
- Surgery - 80.5 %
- Skin - 7.1 %
- Hair treatment - 6.1 %
- Aftercare - 4.2 %
- Others - 2.1 %



Source: Master Style

Major shareholders

- Maschamadol family - 68.0 %
- Others - 32.0 %



Source: Master Style

Catalysts

2024 potential growth drivers include 1) more surgery customers; 2) a higher utilization rate for operating beds, which would drive operating leverage; and 3) the realization of profit and synergies from M&As.

Risks to our call

Downside risks to our P/E-based TP include 1) increased competition, 2) a pandemic that results in a lockdown, 3) lower-than-expected utilization rate of new operating beds, 4) higher-than-expected doctor costs and expenses, and 5) a loss contribution from the acquired units.

Event calendar

Date	Event
February 2024	4Q23 results announcement
March 2024	4Q23 analyst meeting

Key assumptions

	2023E	2024E	2025E
Total OR rooms (no.)	17	17	17
Capacity hours (hours)	64,605	88,330	88,330
Operating hours (hours)	48,147	54,272	58,866
Utilization rate (%)	74.5	61.4	66.6

Source: FSSIA estimates

Earnings sensitivity

- For every 5% increase in revenue, we estimate 2024 net profit to rise by 3.9%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2024 net profit to rise by 2%, and vice versa, all else being equal.
- For every 1% increase in SG&A, we estimate 2024 net profit to fall by 3.5%, and vice versa, all else being equal.

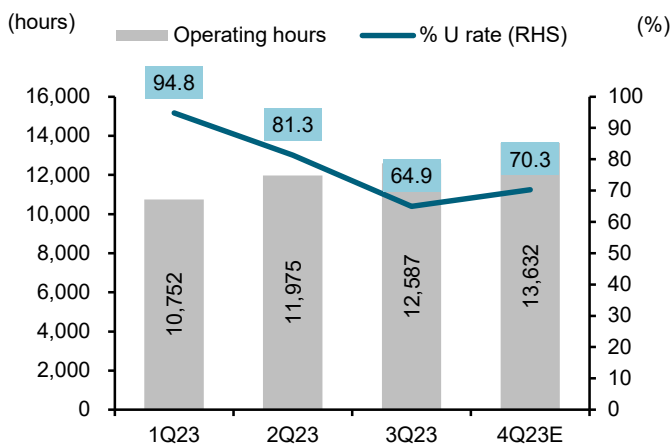
Source: FSSIA estimates

Exhibit 1: 4Q23 earnings preview

	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23E	----- Change -----	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Total revenue	238	372	401	471	436	459	479	509	6.2	7.9
Costs	102	163	167	210	182	204	200	213	6.4	1.7
Gross profit	136	209	234	262	253	255	279	296	6.0	12.9
SG&A	68	106	128	161	162	158	160	169	5.3	4.7
Operating profit	71	104	108	103	94	106	128	137	6.4	33.0
Profit sharing	0	0	0	0	0	0	0	10	nm	nm
Interest expense	2	2	2	3	3	4	4	4	(0.3)	0.4
Tax expense	14	21	21	21	19	21	25	29	14.0	39.2
Reported net profit	55	82	85	79	72	81	100	115	14.8	45.6
Core profit	55	82	85	79	72	81	100	115	14.8	45.6
Key Ratios (%)									(ppt)	(ppt)
Gross margin	57.3	56.2	58.4	55.5	58.2	55.5	58.2	58.1	(0.1)	2.6
SG&A to sales	28.5	28.5	31.8	34.2	37.2	34.3	33.5	33.2	(0.3)	(1.0)
Operating margin	29.7	28.1	27.0	21.8	21.5	23.1	26.8	26.9	0.1	5.1
Net margin	23.1	22.1	21.2	16.7	16.4	17.7	20.8	22.5	1.7	5.8
Core margin	23.1	22.1	21.2	16.7	16.4	17.7	20.8	22.5	1.7	5.8
Operating Statistics										
Revenue breakdown (THB m)										
Surgery	192	293	320	389	340	364	387	410	6.0	5.6
Skin	15	26	28	38	42	34	33	36	10.0	(4.4)
Hair treatment	15	24	29	21	28	32	31	34	7.7	57.8
Aftercare	12	19	13	18	18	18	17	17	4.0	(1.5)
Other	4	10	11	6	8	11	11	12	0.3	78.8
Revenue proportion (%)										
Surgery	80.6	78.8	79.8	82.4	78.0	79.2	80.8	80.7	(0.1)	(1.8)
Skin	6.2	6.9	6.9	8.0	9.6	7.5	6.8	7.0	0.2	(0.9)
Hair treatment	6.3	6.6	7.3	4.5	6.4	6.9	6.5	6.6	0.1	2.1
Aftercare	5.2	5.1	3.3	3.7	4.1	3.9	3.5	3.4	(0.1)	(0.3)
Other	1.8	2.6	2.7	1.4	1.9	2.4	2.4	2.3	(0.1)	0.9

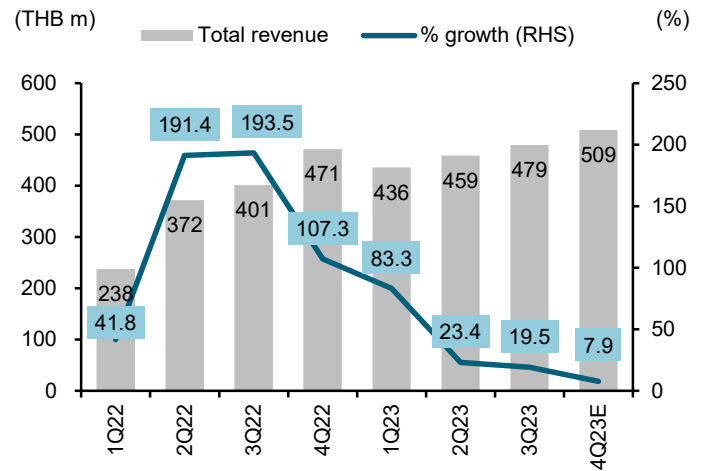
Sources: MASTER; FSSIA estimates

Exhibit 2: Quarterly operating hours and utilization rate



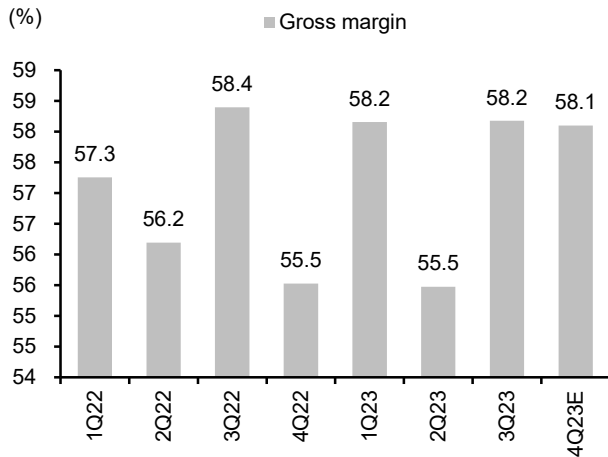
Sources: MASTER, FSSIA estimates

Exhibit 3: Quarterly total revenue and growth



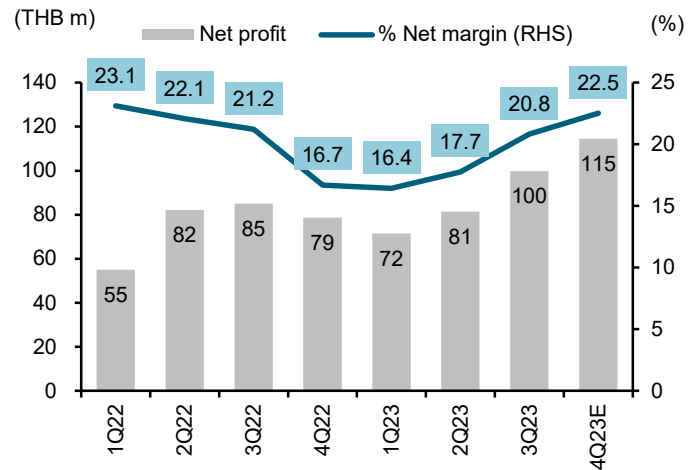
Sources: MASTER, FSSIA estimates

Exhibit 4: Quarterly gross margin



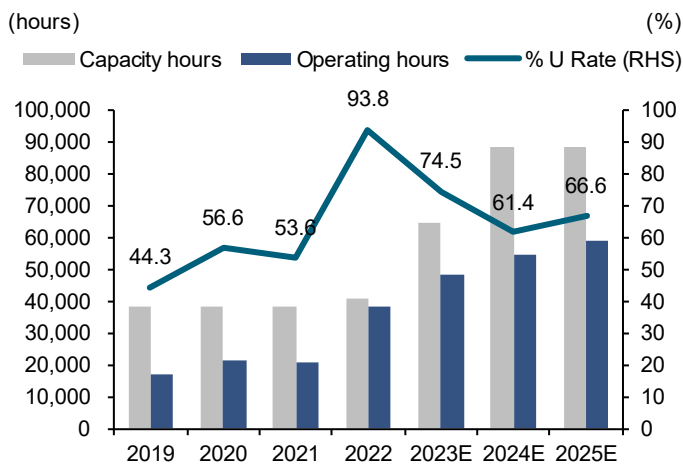
Sources: MASTER, FSSIA estimates

Exhibit 5: Quarterly net profit and net margin



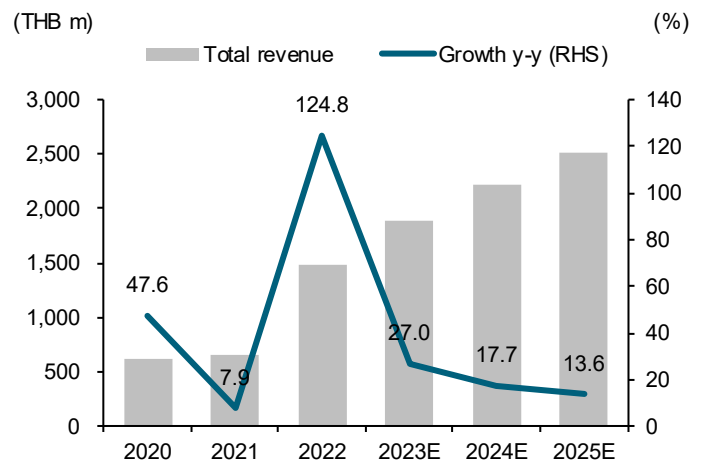
Sources: MASTER, FSSIA estimates

Exhibit 6: Yearly operating hours and utilization rate



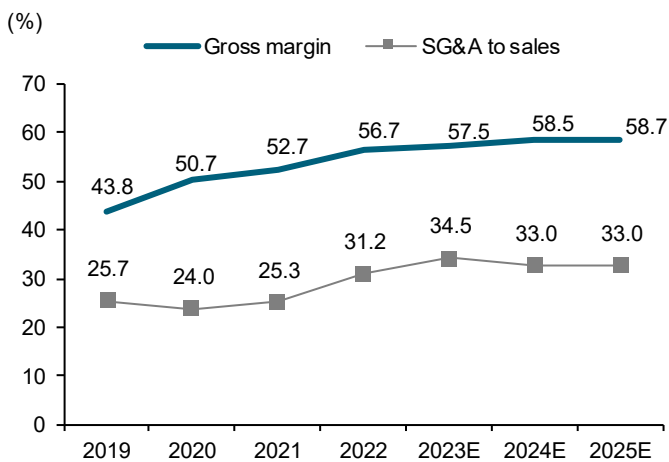
Sources: MASTER, FSSIA estimates

Exhibit 7: Yearly total revenue and growth



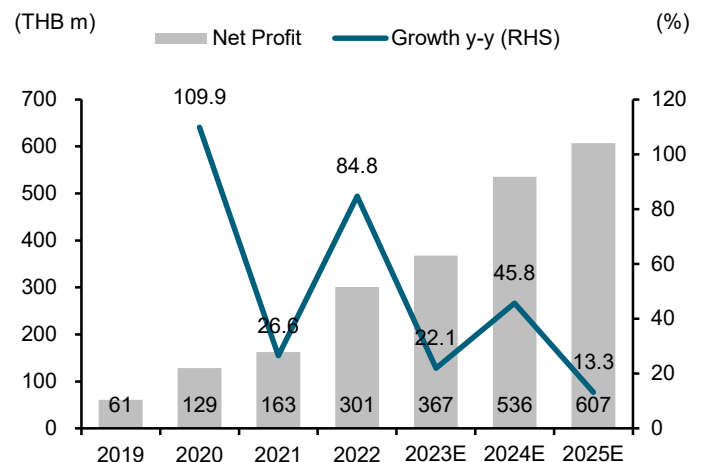
Sources: MASTER, FSSIA estimates

Exhibit 8: Yearly gross margin and SG&A to sales



Sources: MASTER, FSSIA estimates

Exhibit 9: Yearly net profit and growth



Sources: MASTER, FSSIA estimates

Exhibit 10: Key assumptions for MASTER

	Actual	Forecast			Growth		
	2022 (THB m)	2023E (THB m)	2024E (THB m)	2025E (THB m)	2023E (%)	2024E (%)	2025E (%)
Total revenue	1,483	1,883	2,216	2,517	27.0	17.7	13.6
Costs	641	800	920	1,040	24.8	14.9	13.0
Gross profit	841	1,083	1,296	1,478	28.7	19.7	14.0
SG&A expense	463	650	731	831	40.3	12.6	13.6
Interest expense	9	14	14	13	53.5	(1.4)	(5.4)
Profit sharing	0	10	105	112	<i>nm</i>	950.0	6.7
Reported net profit	301	367	536	607	22.1	45.8	13.3
Core profit	301	367	536	607	22.1	45.8	13.3
Key ratios (%)							
Total revenue growth	124.8	27.0	17.7	13.6			
Net profit growth	84.8	22.1	45.8	13.3			
Core profit growth	114.9	22.1	45.8	13.3			
Gross margin	56.7	57.5	58.5	58.7	0.7	1.0	0.2
SG&A to sales	31.2	34.5	33.0	33.0	3.3	(1.5)	0.0
Net margin	20.3	19.5	22.7	23.3	(0.8)	3.2	0.6
Core margin	20.3	19.5	22.7	23.3	(0.8)	3.2	0.6
Operating statistics							
Total OR rooms (no.)	7	17	17	17	142.9	0.0	0.0
Capacity hours (hours)	40,880	64,605	88,330	88,330	58.0	36.7	0.0
Operating hours (hours)	38,345	48,147	54,272	58,866	25.6	12.7	8.5
Utilization rate (%)	93.8	74.5	61.4	66.6			
Revenue breakdown (THB m)							
Surgery	1,194	1,501	1,777	2,024	25.8	18.4	13.9
Skin	106	144	171	197	36.8	18.5	15.4
Hair treatment	90	125	148	167	38.6	18.5	13.3
Aftercare	62	70	76	82	12.1	8.2	8.1
Others	31	42	45	47	36.8	5.0	5.0
Revenue proportion (%)							
Surgery	80.5	79.7	80.2	80.4			
Skin	7.1	7.7	7.7	7.8			
Hair treatment	6.1	6.6	6.7	6.6			
Aftercare	4.2	3.7	3.4	3.2			
Others	2.1	2.3	2.0	1.9			

Source: FSSIA estimates

Financial Statements

Master Style

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	660	1,483	1,883	2,216	2,517
Cost of goods sold	(312)	(641)	(800)	(920)	(1,040)
Gross profit	348	841	1,083	1,296	1,478
Other operating income	31	8	31	13	13
Operating costs	(167)	(463)	(650)	(731)	(831)
Operating EBITDA	242	422	529	659	750
Depreciation	(31)	(35)	(65)	(80)	(90)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	211	386	464	578	660
Net financing costs	(7)	(9)	(14)	(14)	(13)
Associates	0	0	10	105	112
Recurring non-operating income	0	0	10	105	112
Non-recurring items	0	0	0	0	0
Profit before tax	204	377	460	670	758
Tax	(42)	(76)	(93)	(134)	(152)
Profit after tax	163	301	367	536	607
Minority interests	-	-	-	-	-
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	163	301	367	536	607
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	163	301	367	536	607
Per share (THB)					
Recurring EPS *	1.61	1.58	1.39	2.03	2.30
Reported EPS	1.61	1.58	1.39	2.03	2.30
DPS	0.36	0.30	0.70	1.01	0.00
Diluted shares (used to calculate per share data)	101	190	264	264	264
Growth					
Revenue (%)	7.9	124.8	27.0	17.7	13.6
Operating EBITDA (%)	27.0	73.9	25.6	24.4	13.8
Operating EBIT (%)	26.1	82.7	20.2	24.6	14.0
Recurring EPS (%)	26.6	(1.7)	(12.1)	45.8	13.3
Reported EPS (%)	26.6	(1.7)	(12.1)	45.8	13.3
Operating performance					
Gross margin inc. depreciation (%)	52.7	56.7	57.5	58.5	58.7
Gross margin exc. depreciation (%)	57.4	59.1	61.0	62.1	62.3
Operating EBITDA margin (%)	36.8	28.4	28.1	29.7	29.8
Operating EBIT margin (%)	32.1	26.1	24.6	26.1	26.2
Net margin (%)	24.7	20.3	19.5	24.2	24.1
Effective tax rate (%)	20.4	20.2	20.2	20.0	20.0
Dividend payout on recurring profit (%)	22.1	18.9	50.0	50.0	-
Interest cover (X)	30.6	42.4	33.9	49.5	59.1
Inventory days	30.1	26.8	31.8	30.7	31.0
Debtor days	1.2	0.9	1.0	0.9	0.9
Creditor days	40.9	34.7	34.9	30.7	31.0
Operating ROIC (%)	104.0	115.1	61.3	57.9	66.1
ROIC (%)	93.2	82.1	42.3	27.3	21.7
ROE (%)	77.0	105.5	22.5	17.9	18.5
ROA (%)	30.9	39.9	17.4	15.4	16.0
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Surgery	527	1,194	1,501	1,777	2,024
Skin	39	106	144	171	197
Hair treatment	23	90	125	148	167
Aftercare	36	62	70	76	82

Sources: Master Style; FSSIA estimates

Financial Statements

Master Style

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	163	301	367	536	607
Depreciation	31	35	65	80	90
Associates & minorities	0	0	0	0	0
Other non-cash items	46	0	(10)	(105)	(112)
Change in working capital	(21)	(100)	9	27	25
Cash flow from operations	218	236	432	538	610
Capex - maintenance	-	-	-	-	-
Capex - new investment	(99)	(413)	(626)	(1,646)	(43)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	-	-	-	-
Cash flow from investing	(99)	(413)	(626)	(1,646)	(43)
Dividends paid	(101)	(263)	(184)	(268)	(303)
Equity finance	0	198	2,270	0	0
Debt finance	13	159	(15)	(15)	(15)
Other financing cash flows	(21)	(1)	6	2	2
Cash flow from financing	(109)	93	2,077	(281)	(317)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	10	(84)	1,883	(1,389)	250
Free cash flow to firm (FCFF)	126.42	(167.40)	(180.57)	(1,094.23)	579.47
Free cash flow to equity (FCFE)	111.42	(19.25)	(203.64)	(1,121.37)	552.92

Per share (THB)

FCFF per share	0.48	(0.63)	(0.68)	(4.14)	2.19
FCFE per share	0.42	(0.07)	(0.77)	(4.25)	2.09
Recurring cash flow per share	2.37	1.77	1.60	1.94	2.22

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	288	483	722	797	812
Less: Accumulated depreciation	(55)	(59)	(63)	(68)	(74)
Tangible fixed assets (net)	233	424	659	729	738
Intangible fixed assets (net)	8	7	7	7	7
Long-term financial assets	8	8	8	8	8
Invest. in associates & subsidiaries	0	0	188	1,773	1,812
Cash & equivalents	182	98	1,980	591	841
A/C receivable	3	5	5	6	7
Inventories	26	63	66	76	85
Other current assets	131	166	301	288	277
Current assets	342	331	2,353	961	1,210
Other assets	9	177	188	222	252
Total assets	600	947	3,403	3,699	4,027
Common equity	167	404	2,857	3,125	3,429
Minorities etc.	0	0	0	0	0
Total shareholders' equity	167	404	2,857	3,125	3,429
Long term debt	141	291	276	261	246
Other long-term liabilities	5	3	9	11	13
Long-term liabilities	145	294	286	272	259
A/C payable	98	148	151	175	199
Short term debt	7	15	15	15	15
Other current liabilities	182	86	94	111	126
Current liabilities	288	249	260	301	340
Total liabilities and shareholders' equity	600	947	3,403	3,699	4,027
Net working capital	(121)	0	128	84	45
Invested capital	138	616	1,178	2,821	2,862

* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)

Book value per share	1.65	2.12	10.82	11.84	12.99
Tangible book value per share	1.57	2.09	10.80	11.81	12.96

Financial strength

Net debt/equity (%)	(20.2)	51.7	(59.1)	(10.1)	(16.9)
Net debt/total assets (%)	(5.6)	22.1	(49.6)	(8.5)	(14.4)
Current ratio (x)	1.2	1.3	9.1	3.2	3.6
CF interest cover (x)	31.4	44.1	31.2	39.0	46.7

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	36.0	36.6	41.7	28.6	25.2
Recurring P/E @ target price (x) *	44.0	44.8	51.0	35.0	30.9
Reported P/E (x)	36.0	36.6	41.7	28.6	25.2
Dividend yield (%)	0.6	0.5	1.2	1.7	-
Price/book (x)	35.2	27.3	5.4	4.9	4.5
Price/tangible book (x)	36.9	27.8	5.4	4.9	4.5
EV/EBITDA (x) **	24.0	26.6	25.7	22.8	19.6
EV/EBITDA @ target price (x) **	29.4	32.5	32.2	28.0	24.2
EV/invested capital (x)	42.4	18.2	11.6	5.3	5.1

* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income

Sources: Master Style; FSSIA estimates

Disclaimer for ESG scoring

ESG score	Methodology	Rating																											
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																											
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for THSI inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETTHSI Index is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																											
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (50-59), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																											
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). (The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																											
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. (Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																											
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+																	
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ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																											
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="0" style="margin-left: 20px;"> <tr> <td style="padding-right: 10px;">AAA</td> <td>8.571-10.000</td> <td style="padding-right: 10px;">Leader:</td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td>Average:</td> <td>a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td>BB</td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> <td>Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570			A	5.714-7.142			BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285			B	1.429-2.856			CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																												
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. (Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)																												
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																												
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																											
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																											

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "CG Score"; 2) "AGM Level"; 3) "Thai CAC"; and 4) THSI. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Sureeporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

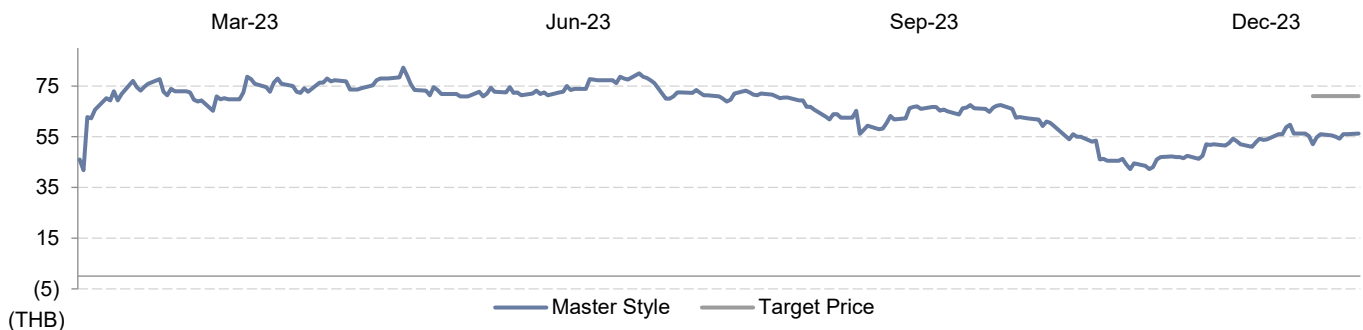
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History of change in investment rating and/or target price

Master Style (MASTER TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
12-Dec-2023	BUY	71.00	-	-	-	-	-	-

Sureeporn Teewasuwet started covering this stock from 12-Dec-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Master Style	MASTER TB	THB 58.00	BUY	Downside risks to our P/E-based TP include 1) increased competition, 2) a pandemic that results in a lockdown, 3) lower-than-expected utilization rate of new operating beds, 4) higher-than-expected doctor costs and expenses, and 5) a loss contribution from the acquired units.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 2-Jan-2024 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.